Privy Council Office

2010-11

Departmental Performance Report

The Right Honourable Stephen Harper
Prime Minister of Canada

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Clerk of the Privy Council and
Secretary to the Cabinet

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Prime Minister's Message

In 2010-11, the Government's top priority continued to be the delivery of the Economic Action Plan, a plan to help fight the effects of the global recession by providing sufficient stimulus to safeguard jobs, while at the same time, making important investments in Canada's long-term economic prosperity. During the year, the Privy Council Office continued to support Cabinet decisions on the direction of stimulus activities and coordinate communications and reporting to Canadians on the results of this plan. The Privy Council Office also played a key role in preparing for the next phase of Canada's Economic Action Plan by facilitating discussions leading to Budget 2011.

In addition to supporting long-term growth and job creation through the Economic Action Plan, the Government also needed to deliver on its broader agenda, as set out in the Speech from the Throne of March 3, 2010. The Privy Council Office supported the Government in taking the decisions needed to support this agenda, thus helping to ensure a prosperous future for our communities and country. In particular, the Privy Council Office assisted the Government in launching the transition from a targeted economic stimulus effort to a plan for return to fiscal balance, working with the provinces and territories to help build the jobs and industries of the future, to make Canada the best place for families and to stand up for those who have helped to build this country.

On the international front, in 2010-11, Canada had a unique opportunity to provide leadership as host of both the G8 and G20 summits. The Government achieved important goals through these meetings, including securing support for the Muskoka Initiative on Maternal, Newborn and Child Health, strengthening financial market regulation and averting a return to protectionism in response to the economic downturn. By coordinating the planning and delivery of these events, the Privy Council Office helped the Government to achieve these objectives. In 2010-11, PCO also assisted in

the Government's responses to several international crises, primarily through helping to coordinate plans for the delivery of international assistance and humanitarian aid. Finally, in 2010-11, the Privy Council Office supported the Government in its efforts to strengthen Canada's relationships with key trading partners such as the United States and India.

Over the past year, the Government also began preparing for the next phase of Canada's engagement in Afghanistan, which includes a transition to a military and police training role, and a continued focus on development and humanitarian aid. To facilitate this preparatory work, the Privy Council Office continued to support the development of policy on Afghanistan, providing a whole-of-government perspective that helps to integrate efforts across departments. Additionally, the Privy Council Office continued to coordinate the Government's quarterly reports to Parliament on Canada's engagement in Afghanistan, ensuring regular reporting on progress.

The Government recognizes the importance of the Public Service of Canada as a critical national institution and remains committed to its renewal and to ensuring that it is prepared for the challenge of an aging labour force. In support of this goal, in 2010-11 the Privy Council Office continued to lead efforts to drive Public Service Renewal across government, helping to ensure that our Public Service remains effective and efficient and maintains its focus on accountability, transparency and serving Canadians with excellence.

I am pleased to present the 2010-11 Departmental Performance Reports for the Privy Council Office and the Public Appointments Commission Secretariat.

The Right Honourable Stephen Harper
Prime Minister of Canada

Section I: Organizational Overview

Raison d'être

The mandate of the Privy Council Office (PCO) is to serve Canada and Canadians by providing the best professional, non-partisan advice and support to the Prime Minister, the ministers within the Prime Minister's portfolio and the Cabinet. PCO supports the development of the Government of Canada's policy agenda; coordinates responses to issues facing the Government and the country; and supports the effective operation of the Cabinet. As Head of the Public Service of Canada, the Clerk of the Privy Council sets strategic direction and oversees all major issues for the Public Service.

Responsibilities

Led by the Clerk of the Privy Council, PCO helps the Government to implement its vision and to respond effectively and quickly to issues facing the Government and the country.

PCO has three main roles.

Advice to the Prime Minister

PCO brings together quality, objective, non-partisan policy advice and information to support the Prime Minister, the ministers within the Prime Minister's portfolio and the Cabinet. This includes:

- Providing non-partisan advice and information from across the Public Service.
- Consulting and collaborating with international and domestic stakeholders inside and outside of government (including with provincial and territorial governments) .
- Providing information on the priorities of Canadians.
- Providing Public Service advice and support on the development and implementation of the Government's parliamentary and legislative programs and the democratic reform agenda.

PCO also provides advice on the Prime Minister's international role.

Secretariat to the Cabinet

PCO facilitates the smooth, efficient and effective functioning of Cabinet and the Government of Canada on a day-to-day basis. This includes:

- Managing the Cabinet's decision-making system.
- Coordinating departmental policy and legislative proposals to Cabinet, with supporting policy analysis.
- Providing scheduling and support services for meetings of Cabinet and Cabinet committees.
- Advancing the Government's agenda across federal departments and agencies and with external stakeholders.
- Advising on Canada's Westminster style of government, on government structure and organization, and on Governor-in-Council appointments.
- Preparing Orders in Council and other statutory instruments to give effect to Government decisions.
- Providing administrative services to the Prime Minister's Office, portfolio ministers and commissions of inquiry.

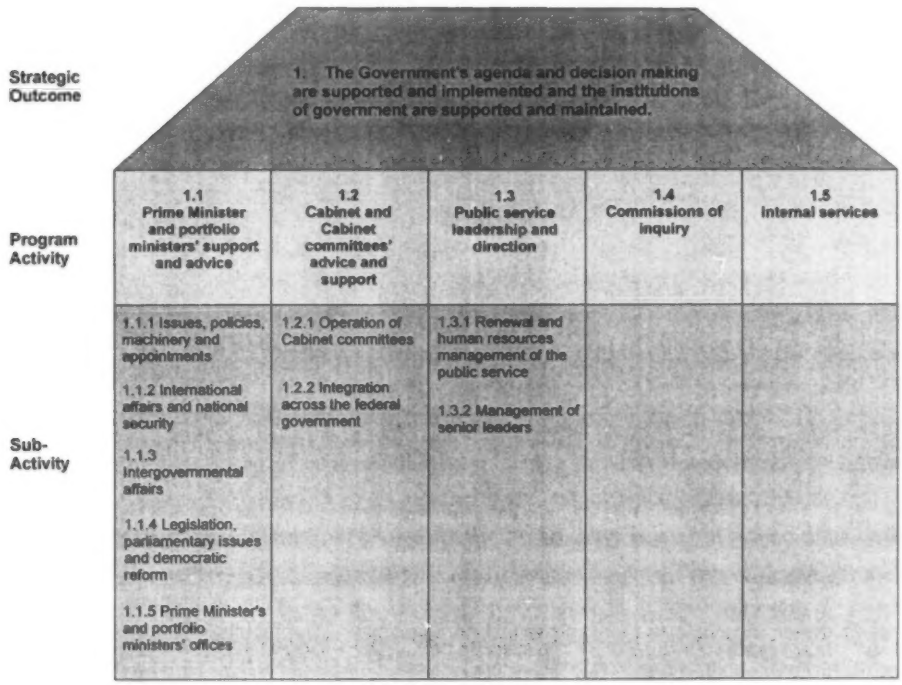
Public Service Leadership

PCO supports the development and maintenance of a high-quality Public Service that meets the highest standards of accountability, transparency and efficiency, one that is able to deliver the best advice to government and excellent services to Canadians. This includes:

- Managing policy, legal and operational issues related to the recruitment and appointment process for senior positions in federal departments, Crown corporations and agencies.
- Guiding policy on people management issues and Public Service Renewal.
- Building the capacity of the Public Service to meet emerging challenges and the changing responsibilities of government.

For more information on PCO's main roles, please visit PCO's website (http://www.pco-bcp.gc.ca).

Strategic Outcome and Program Activity Architecture (PAA)


Strategic Outcome
1. The Government's agenda and decision making are supported and implemented and the institutions of government are supported and maintained.
Program Activity
1.1 Prime Minister and portfolio ministers' support and advice
1.2 Cabinet and Cabinet committees' advice and support
1.3 Public service leadership and direction
1.4 Commissions of inquiry
1.5 Internal services
Sub-Activity
1.1.1 Issues, policies, machinery and appointments
1.1.2 International affairs and national security
1.1.3 Intergovernmental affairs
1.1.4 Legislation, parliamentary issues and democratic reform
1.1.5 Prime Minister's and portfolio ministers' offices
1.2.1 Operation of Cabinet committees
1.2.2 Integration across the federal government
1.3.1 Renewal and human resources management of the public service
1.3.2 Management of senior leaders

Organizational Priorities

PCO has four ongoing priorities that are closely tied to its organizational role and mandate:

- PCO's first priority, "Support the Prime Minister in exercising his overall leadership responsibility," facilitates the Prime Minister's exercise of his responsibilities as the head of Government and his leadership role in delivering benefits to Canadians.
- PCO's second priority, "Focus on key policy and legislative areas and strengthen medium-term policy planning," supports the proper functioning of Cabinet and the exercise of the Prime Minister's responsibilities as leader of Cabinet and leader of decision making for the medium-term policy agenda.
- PCO's third priority, "Support management and accountability of government," contributes to public service governance, management and service delivery.

- PCO's fourth priority, "Strengthen PCO's internal management practices," secures organizational capacity into the future and ensures the proper functioning of PCO in its supporting and advisory roles.

As illustrated below and as supported by evidence in Section II of this report, PCO met its expected level of performance in support of organizational priorities in 2010-11.

Priority	Type[1]	Strategic Outcome(s) and/or Program Activity(ies)
Support the Prime Minister in exercising his overall leadership responsibility.	Ongoing	1.1: Prime Minister and portfolio ministers' support and advice
Status:[2] MET ALL		
• Provided timely advice and support to the Prime Minister on a variety of domestic issues, including economic, environmental and social development. • Provided the Prime Minister with strategic communications advice and support for his role as the lead spokesperson for the Government of Canada. • Provided the Prime Minister with advice on international affairs and national security. • Provided ongoing advice and support to the Prime Minister on machinery of government issues. • Provided advice and support to the Prime Minister and Cabinet on the recruitment, selection and compensation of Governor-in-Council appointees. • Provided ongoing coordination and support for the Government's relationship with the provinces and territories.		

1. "Type" is categorized as follows: Previously committed to—committed to in the first or second fiscal year before the subject year of the report; Ongoing—committed to at least three fiscal years before the subject year of the report; and New—newly committed to in the reporting year of the Departmental Performance Report.

2. **Performance/Priority Status Legend**

"Status" is defined as the percent (%) of the expected level of performance identified in the Report on Plans and Priorities that was achieved during the fiscal year. The status legend is shown in the two columns to the right.		
	Exceeded	more than 100%
	Met All	100%
	Mostly Met	80 to 99%
	Somewhat Met	60 to 79%
	Not Met	less than 60%

Priority	Type	Strategic Outcome(s) and/or Program Activity(ies)
Focus on key policy and legislative areas and strengthen medium-term policy planning.	Ongoing	1.1: Prime Minister and portfolio ministers' support and advice 1.2: Cabinet and Cabinet committees' advice and support
Status: MET ALL		

- Provided advice and support to the Prime Minister and portfolio ministers on medium-term policy and planning to support the successful implementation of the Government's policy and legislation agenda. In particular, provided advice on domestic policy, international affairs, national security and the Government's relationship with the provinces and territories.
- Provided advice to the Cabinet and Cabinet committees.
- Provided support for the effective functioning of Cabinet committees, including strategic policy advice on agenda items, logistical support, secretariat support and support for the challenge function role in the development of policies prior to Cabinet committee deliberation.
- Supported the Cabinet and Cabinet committees' integrated approach to decision making and policy development by coordinating policy implementation across government departments.
- Provided advice and support to the Prime Minister, portfolio ministers, Cabinet and Cabinet committees on parliamentary and legislative initiatives which are required to implement government decisions.

Priority	Type	Strategic Outcome(s) and/or Program Activity(ies)
Support management and accountability of government.	Ongoing	1.3: Public service leadership and direction 1.4: Commissions of inquiry
Status: MET ALL		

- PCO supported the Clerk of the Privy Council in the renewal of the Public Service so that it remains a vital institution geared to excellence and accountable management.

Priority	Type	Strategic Outcome(s) and/or Program Activity(ies)
Strengthen PCO's internal management practices.	Ongoing	1.5: Internal services
Status: MET ALL		
• PCO continued to support strong internal management.		

In 2010-11, PCO's plans and priorities contributed to the achievement of its strategic outcome:

The Government's agenda and decision making are supported and implemented and the institutions of government are supported and maintained.

Risk Analysis

Delivering on the Government's agenda

Given PCO's role of supporting and implementing the Government's agenda, the risks and opportunities faced by PCO are closely tied to the achievement of that agenda. PCO works to respond to these risks in its advice and support to the Prime Minister, portfolio ministers and the Cabinet, to ensure the Government can deliver on its overall agenda while responding effectively to emerging issues.

Although PCO's Report on Plans and Priorities (RPP) for 2010-11 covers a range of government objectives, the Government set out its agenda for 2010-11 in greater detail in the March 3, 2010, Speech from the Throne.[3] The commitments articulated in this Speech from the Throne thus became the priorities supported by PCO across the planning period.

3. Although the Speech from the Throne was introduced prior to the tabling of PCO's Report on Plans and Priorities (RPP) for 2010-11, the RPP was actually developed first, due to the requirements of cross-governmental deadlines. PCO's 2010-11 RPP should be read in the context of the specific articulation of the Government's agenda that is included in the March 2010 Speech from the Throne.

In the March 3, 2010, Speech from the Throne, the Government set out its commitments under six overarching themes:

- **Completing Canada's Economic Action Plan (EAP)**, which included working with partners in the provinces and territories to make certain that projects were completed during the planning period, when stimulus was most needed. Over the course of the year, in the context of the overall success of the EAP in providing stimulus to the economy, the Government determined that it needed to be more flexible in relation to project completion deadlines, to allow projects where work had already been started to continue. By allowing flexibility for the completion of qualifying projects, the Government ensured that the economic benefits from these activities were maximized.

- **Planning for Recovery: Returning to Fiscal Balance**, which included not only restraining overall federal program spending on the domestic front, but also working as chair of the G8 and G20 to promote a globally coordinated approach to the winding down of stimulus programs. In this area, one commitment that had a particular impact on PCO was the Government's decision to launch a review of administrative functions and overhead costs to identify savings and improve service delivery. This led to the creation of the Administrative Services Review unit, which was accomplished through internal reallocation and realignment of resources. The unit is delivering on the Government's commitment by reviewing administrative processes and service delivery mechanisms and identifying new ways of doing business.

- **Building the Jobs and Industries of the Future**, building on the EAP with initiatives to strengthen the competitiveness of Canadian companies and increase the skills of Canada's labour force. Throughout the planning period, PCO provided advice and supported decision making in these areas.

- **Making Canada the Best Place for Families**, with initiatives to support families and communities, reinforce the rule of law and ensure fairness to victims of crime. PCO worked throughout the planning period to help the Government deliver on these priorities, including supporting the timely introduction of new legislation where needed.

- **Standing Up for Those Who Helped Build Canada**, including meeting the demands of our aging population, commemorating the

sacrifices of those in our armed forces and modernizing the support systems for veterans, and recognizing the contributions of Canada's Aboriginal peoples while addressing the challenges that they face. Throughout the planning period, PCO provided advice and supported decision making on these issues.

- **Strengthening a United Canada in a Changing World**, which covered a range of issues, such as preparing to commemorate key milestones in Canada's history, improving the recognition of foreign credentials and protecting immigrants from unscrupulous immigration consultants, realizing the potential of Canada's North and pursuing a foreign policy that remains anchored in Canadian values. Under this theme, one priority that had a particular impact on PCO was the Government's decision to strengthen coordination and decision making in the area of national security and to work toward a Canada-U.S. perimeter strategy. In February 2011, this perimeter strategy—Beyond the Border: A Shared Vision for Perimeter Security and Economic Competitiveness—was announced by Canada and the United States. This work required PCO to realign resources to respond to an increased demand for advice and support from the office of the National Security Advisor to the Prime Minister.

Emerging domestic and international issues

As a fiscal year unfolds, issues often emerge that necessitate changes to PCO's plans and activities. In 2010-11, a number of Government policies and priorities were driven by emerging issues; and this, ultimately, affected PCO's work. For example, the issue of human smuggling came to prominence, both in 2009 and in 2010, with the arrival of the *Ocean Lady* and the *Sun Sea* off Canada's west coast. The arrival of these ships, with irregular migrants from Southeast Asia on board, drew national attention to the subject of human smuggling. PCO assisted the Government in its response to these events by supporting the work of a special advisor appointed to coordinate the Government's response to human smuggling and illegal migration and provide advice and recommendations to the Prime Minister and Cabinet. Following this effort, in October 2010, the Government introduced legislation that would strengthen Canada's ability to prosecute human smugglers, deter those that seek to jump the queue, prevent human

smuggling operations before they leave for Canada and maintain the integrity and fairness of our immigration system.

PCO's mandate also includes support for the functioning of the Government's activities in Parliament and support for Canada's institutions of government. In 2010-11, this included support for parliamentary and legislative programs and the democratic reform agenda. There was also a high demand for advice related to the Prime Minister's exercise of his prerogative for machinery of government, the structure and operation of Cabinet and its committees, the structure and form of government organizations, and ministerial mandates. The demand was driven, in part, by the inauguration of a new Governor General in 2010, and by a number of changes to the Ministry. This work, when it arises, is required to support Canada's institutions of government, and so must take priority.

The 2008-11 phase of Canada's engagement in Afghanistan, which focused on six priorities and three signature projects, and included a combat role centred around Kandahar, ends in 2011. As announced by the Government in November 2010, the next phase of this engagement, which will extend from 2011 to 2014, will be Kabul-centred and based on a smaller number of key areas of activity. In 2010-11, PCO advised the Prime Minister regarding this next phase in Canada's engagement in Afghanistan and, in particular, on the following four key areas of activity: investing in the future of Afghan children and youth; advancing security, the rule of law and human rights, including through the provision of military and police trainers; promoting regional diplomacy; and delivering humanitarian assistance. Additionally, in 2010-11, PCO was called upon to support the work of an ad hoc committee of parliamentarians and the independent Panel of Arbiters tasked with determining whether and how information relevant to Canadian-transferred Afghan detainees should be made available to parliamentarians and the public.

Another major effort in 2010-11, the Canada-U.S. perimeter initiative mentioned earlier, was spurred by the rapid advancement of a joint Canada-U.S. approach for enhancing competitiveness and safeguarding borders. In 2010-11, PCO was asked to engage in public consultation and intergovernmental discussion in four key areas that would come to form the basis for this joint Canada-U.S. perimeter initiative. These areas included: addressing common hazards and threats early (e.g., natural disasters and

terrorism); trade facilitation, economic growth and jobs; integrated cross-border law enforcement; and critical infrastructure and cyber security.

International crises

PCO's work plans are also affected by the extent to which it is called upon to assist in the management of international crises that have an impact on Canada and Canadians. Much of the work that PCO does, including work to support Canada's response to international crises, depends on close and effective collaboration with and among key partners. In this regard, PCO typically plays a leadership role in coordinating and integrating response efforts—work that facilitates implementation activities undertaken by government departments, agencies and other organizations. This coordination and integration helps to ensure that the Government of Canada provides an effective and efficient response to the situation at hand, be it a natural disaster, humanitarian emergency or other crisis. In 2010-11, for example, PCO contributed to coordinating the responses to the aftermath of earthquakes in Haiti and Japan and advised the Government in response to developments across the Middle East and North Africa. PCO assisted the Government in its response to these latter events by providing extensive assessments and advice related to: developments in the region; the evacuation of Canadians from affected areas; and the imposition of targeted sanctions.

In these and other instances, PCO has helped to ensure that Canada's response to international crises such as natural disasters and humanitarian emergencies is well-managed and well-coordinated. As with changing Government priorities and emerging issues, PCO's first responsibility in such cases is to address the immediate requirements in support of the Government and Canadians, which include assisting in the delivery of Canada's international assistance commitments. In 2010-11, PCO also supported Canada's interests in this area with analytical work, including the development of risk analyses, mitigation strategies, and policy, legal and legislative options. For example, PCO provided timely policy, legal and legislative options to support the quick passage of the *Freezing Assets of Corrupt Foreign Officials Act*, which was introduced in response to developments in Tunisia and Egypt.

Human resource and corporate management

As is evident from what has been reported above, fulfilling PCO's mandate of advising on and supporting the Government's agenda requires a high degree of versatility and flexibility. In particular, PCO faces unique challenges in ensuring that appropriate policy expertise and support is available to the Government, when needed. Good human resource management, and more generally, good corporate management, are therefore essential for the delivery of PCO's mandate.

To this end, in 2010-11, PCO continued to implement its three-year Strategic Human Resources Plan, a plan that aims to address PCO's human resource challenges in the areas of career development, empowerment and innovation, and work environment.

In 2010-11, PCO also undertook several initiatives designed to enhance its corporate services, including, for example, advancing PCO's readiness posture in the area of emergency management and improving the security of its networks, telecommunications and offices.

Conclusion

Despite the risks associated with competing demands for resources to deliver on the Government's agenda, emerging issues and international crises, PCO successfully met the commitments identified as part of its planning exercises for 2010-11. As will be shown in Section II, PCO responded with flexibility to the evolving forward agenda and to changing economic, global and domestic conditions, ensuring that both planned activities and new work—such as work linked to economic prosperity, job creation, fiscal restraint, national security, emerging issues and international crises—were successfully completed, and allowing the Government to make choices and decisions in these areas. Broadly speaking, this work supported the smooth functioning of government, and thereby, both the institutions of government and the implementation of the Government's agenda and decision making.

Summary of Performance

2010-11 Financial Resources (thousands of dollars)

Planned Spending	Total Authorities	Actual Spending
143,948	168,226	159,931

2010-11 Human Resources (full-time equivalents—FTEs)

Planned	Actual	Difference
1,040	1,066	26

Strategic Outcome: The Government's agenda and decision making are supported and implemented and the institutions of government are supported and maintained.

Performance Indicators	Targets	2010-11 Performance
PCO relies on information from individual program activity indicators to determine success in achieving its strategic outcome.	TBD	PCO achieves its single strategic outcome through combined results from five program activities. PCO has three main program activities: Prime Minister and portfolio ministers' support and advice; Cabinet and Cabinet committees' advice and support; and Public Service leadership and direction. These three activities make up the bulk of PCO's work and expenditures. Additionally, as needed, PCO facilitates the organization and establishment of commissions of inquiry and provides them with administrative support. All of the above activities are supported by PCO's internal services—from human resources and financial management to information technology and security services. PCO provides benefits to Canadians by helping the Government develop, articulate and implement its agenda across all departments and agencies.

Program Activity[4]	2009-10 Actual Spending (thousands of dollars)[5]	2010-11[6] (thousands of dollars)				Alignment to Government of Canada Outcome
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
1.1 Prime Minister and portfolio ministers' support and advice	67,621	74,462	75,465	72,604	69,598	Strong and independent democratic institutions
1.2 Cabinet and Cabinet committees' advice and support	16,459	17,253	17,253	17,911	17,387	Strong and independent democratic institutions
1.3 Public service leadership and direction	3,573	4,650	3,647	4,144	3,968	Well-managed and efficient government operations
1.4 Commissions of inquiry	11,730	112	112	15,137	13,242	A transparent, accountable, and responsive federal government
Total	**99,383**	**96,477**	**96,477**	**109,796**	**104,195**	

Program Activity	2009-10 Actual Spending (thousands of dollars)	2010-11 (thousands of dollars)			
		Main Estimates	Planned Spending	Total Authorities	Actual Spending
1.5 Internal services	59,218	47,471	47,471	58,430	55,736

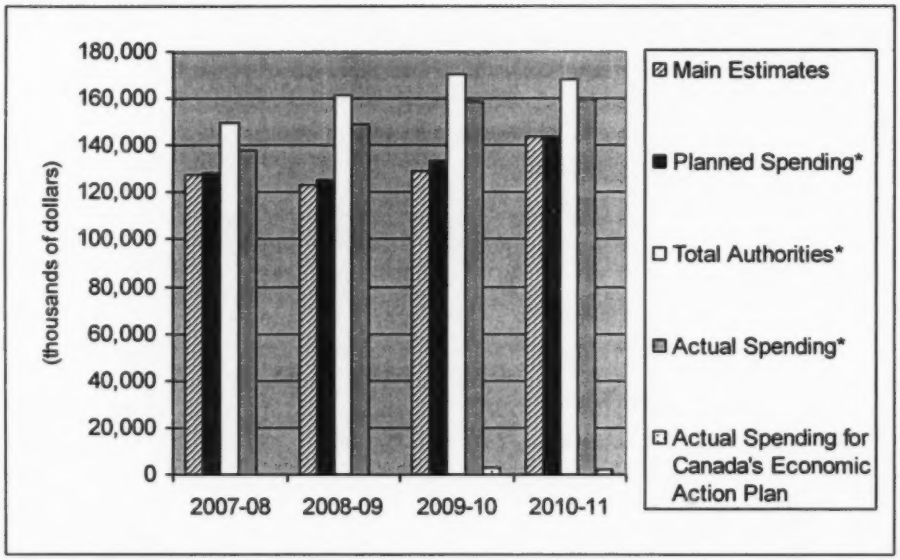
4. For program activity descriptions please see Section II of this document.
5. The dollar amounts of variations are provided in Section IV under Performance Summary Details (Annex I).
6. Commencing in the 2009-10 Main Estimates cycle, the resources for Program Activity Internal services are displayed separately from other program activities; internal services are no longer distributed among the remaining program activities, as was the case in previous Main Estimates. This has affected the comparability of spending and FTE information by program activity between fiscal years.

Expenditure Profile

Canada's Economic Action Plan

During fiscal years 2009-10 and 2010-11, PCO contributed to the implementation of initiatives under the Economic Action Plan (EAP), including monitoring and advising on implementation policies in provinces and territories. Additionally, PCO played a central role in the coordination and management of Government communications for the EAP, as determined by the Prime Minister and the Cabinet.

Departmental Spending Trend (thousands of dollars)



**Includes Canada Economic Action Plan for fiscal years 2009-10 and 2010-11*

Overall, spending by PCO has increased over the past years due to several new initiatives undertaken by PCO.

In 2008-09, some of the reasons for increased spending were as follows:

- creation of the Cabinet Committee on Afghanistan and the Afghanistan Task Force to better coordinate Canada's activities in Afghanistan;
- coordination of the 2010 Olympic Winter Games and G8 and G20 security to help facilitate a whole-of-government approach and integration among various players;

- cost increase due to ratification of several collective bargaining agreements for which funding was received in 2008-09, salary-related costs such as severance and separation pay, as well as Employee Benefit Plans; and
- legal costs related to public inquiries.

These increases were partially offset by a decrease in spending for commissions of inquiry.

In 2009-10, some of the reasons for increased spending were as follows:

- support for the implementation and coordination of a government-wide communications strategy for the EAP;
- additional operating requirements to permanently eliminate various chronic funding pressures for PCO;
- increases due to salary costs and fewer vacant positions;
- Public Service Renewal Task Force Branch, which was transferred from the Canada Public Service Agency; and
- increases in salary-related costs such as severance and separation pay.

These increases were partially offset by a decrease in spending for commissions of inquiry.

In 2010-11, some of the reasons for increased spending were as follows:

- the Commission of Inquiry into the Decline of Sockeye Salmon in the Fraser River, which was partially offset by the closing of three commissions: the Commission of Inquiry into Certain Allegations Respecting Business and Financial Dealings Between Karlheinz Schreiber and the Right Honourable Brian Mulroney; the Commission of Inquiry into the Investigation of the Bombing of Air India Flight 182; and the Internal Inquiry into the Actions of Canadian Officials in Relation to Abdullah Almalki, Ahmad Abou-Elmaati and Muayyed Nureddin;
- support to the Panel of Arbiters, created pursuant to a Memorandum of Understanding between the Government and Opposition Parties, for the review of documents related to the transfer of Afghan detainees by the Canadian Forces;
- enhancements to PCO's security posture, in order to focus on the highest priority elements directly related to the protection of PCO's personnel, information and assets;

- the newly created group leading the Administrative Services Review;[7] and
- the office of the Special Advisor on Human Smuggling and Illegal Migration, created for the coordination of the Government's strategy and response to human smuggling, particularly through international engagement.

These increases were partially offset by:

- an overall decrease in spending in corporate services, due to hiring of full-time staff instead of temporary help and contractors, and the conclusion of in-year, one-time initiatives that were implemented in 2009-10;
- a decrease in legal costs related to public inquiries;
- a decrease in spending for cost containment measures identified in the day-to-day operations of the Prime Minister's Office; and
- the closure of the Office of the Coordinator for the 2010 Olympics and G8 Security following the completion of the G8 and G20 Summits.

For more details on Planned Spending and Total Authorities, please see the link to the Performance Summary Details (Annex I) in Section IV of this report.

Estimates by Vote

For information on PCO's organizational votes and/or statutory expenditures, please see the Public Accounts of Canada 2010 (Volume II). An electronic version of the Public Accounts is available on the Public Works and Government Services Canada website.[8]

7. No additional funding was requested for the Administrative Services Review as financial needs were met through internal reallocations.
8. See Public Accounts of Canada 2010, http://www.tpsgc-pwgsc.gc.ca/recgen/txt/72-eng.html.

Section II: Analysis of Program Activities by Strategic Outcome

Strategic Outcome

The Government's agenda and decision making are supported and implemented and the institutions of government are supported and maintained.

Program Activity 1.1:

Prime Minister and portfolio ministers' support and advice

The Privy Council Office (PCO) supports the Prime Minister in carrying out his unique responsibilities as head of Government. PCO provides professional and non-partisan advice to the Prime Minister on policies, democratic reform, legislation and parliamentary issues facing the Government; appointments; and machinery of government issues. PCO, as appropriate, consults with stakeholders, conducts research and performs a challenge function. PCO also supports ministers in the Prime Minister's portfolio. PMO and the offices of the portfolio ministers have budgets to carry out their operations.

2010-11 Financial Resources (thousands of dollars)

Planned Spending	Total Authorities	Actual Spending
75,465	72,604	69,598

2010-11 Human Resources (FTEs)

Planned	Actual	Difference
558	539	-19

Expected Results	Performance Indicators	Targets	Performance Status
The Prime Minister and portfolio ministers are able to carry out their respective responsibilities.	The Prime Minister and portfolio ministers are provided with value-added[9] information on which to base decisions. • Number of Orders-in-Council	This activity centres on the provision of advice to the Prime Minister and portfolio ministers.	A total of 1,741 Orders-in-Council were approved for the period of April 1, 2010 to March 31, 2011.

9. "Value-added" is here understood as meaning complete, accurate, relevant and timely.

	• Number of Governor-in-Council appointments	The establishment of targets for performance is not appropriate for advice. However, performance information based on quantitative measures related to selected activities is being collected, and over time this information will provide trend information that will contribute to efficient operations.	There were 771 Governor-in-Council appointments made in 2010-11, including such key positions as the CEO of Canada Post, the Veterans Ombudsman and senior deputy minister and diplomatic appointments.
	• Number of federal-provincial-territorial meetings		PCO supported nearly 80 bilateral meetings involving the Prime Minister, the Minister of Intergovernmental Affairs or senior PCO officials, and more than 25 federal-provincial/territorial/sector ministerial meetings.
	Advice to the Prime Minister and the portfolio ministers is provided in a timely manner.		PCO provided the Prime Minister with in-depth assessments of economic, domestic, international, parliamentary and legislative trends and developments relevant to Canada and to the Government's agenda.
	PCO advice enables the Government to achieve its legislative and policy agenda.		
	• Number of bills introduced and passed		60 Government Bills were introduced in 2010-11. 31 Bills were passed.
	The Prime Minister is provided with support for visits.		
	• Number of visits		In 2010-11, the Prime Minister participated in 12 international summits, 10 incoming bilateral visits and 11 outgoing visits.
	The Prime Minister's office and the offices of portfolio ministers receive the necessary services and resources in a timely manner.		In 2010-11, these offices received the necessary services and resources in a timely manner.

Performance Summary and Analysis of Program Activity

Under this Program Activity, PCO provides specialized, non-partisan public service advice to the Prime Minster, portfolio ministers and the Clerk.

As part of its broad role of providing strategic policy advice and analytical support, PCO supported the Prime Minister in managing a variety of files for discussion and decision in 2010-11.

For example, in 2010-11, PCO provided policy advice and support to the Prime Minister on the implementation of the second year of the two-year Economic Action Plan (EAP) and on strategic communications linked to this plan. PCO also provided advice and support for the Government's extension

of EAP funding to October 31, 2011—a decision that allowed greater flexibility in the completion deadlines for construction projects that met the criteria for extension, thus, maximizing the economic benefits from these activities.

In 2010-11, PCO engaged in short and medium-term strategic thinking to inform deliberations and provide advice on the Government's forward-looking economic agenda, including policy advice on building the jobs and industries of the future.

For example, in 2010-11, PCO:

- Provided advice to the Prime Minister on how to further increase investment in Canada's information and communications technologies, with a view to improving long-term competitiveness and Canadian standards of living.
- Provided timely information and advice to the Prime Minister regarding the development and implementation of a federal digital economy strategy and an assessment of the feasibility of proposals under that initiative.
- Provided timely information and advice to the Prime Minister regarding the development and implementation of a federal tourism strategy to support the growth of the tourism sector in Canada.
- Provided direction to departments and advice to the Prime Minister on the renewal of the Government's Clean Air Agenda, in order to support a cost-effective implementation of the Government's clean air and clean energy initiatives.

PCO also helped the Government to achieve other important economic objectives, for example, by advising on measures to balance economic growth and fiscal restraint, by supporting the Government's efforts to ensure that Canadians were consulted regarding Canada's economic recovery, and by providing timely, issue-specific economic and fiscal advice.

For example, in 2010-11, PCO:

- Provided timely information and policy advice to the Prime Minister on the impact on Canadians of increases in the prices of crude oil and gas.
- Provided advice and support for the Prime Minister's country-wide consultations seeking the advice of Canadians on how best to foster Canada's economic recovery. These consultations, announced in November 2010, supported the development of the next phase of the EAP and Budget 2011.
- Provided timely advice to the Prime Minister on the establishment of a Canada-Quebec offshore oil and gas accord.
- Provided advice to the Prime Minister on the options to divest Canada's equity holdings of General Motors (GM) following GM's decision to sell new shares in an initial public offering.
- Provided timely advice to the Prime Minister on the future direction of Canada's commercial nuclear sector.

In 2010-11, PCO also engaged in short- and medium-term strategic thinking to inform deliberations and provide advice on a variety of domestic issues, including economic, environmental and social development issues. This included support and advice on advancing the forward agenda in the context of fiscal restraint and strategies to improve attachment to the labour force.

For example, in 2010-11, PCO:

- Provided advice to the Prime Minister on the delivery of assistance programs to Canadians and communities adversely affected by the economic recession, and on tailoring assistance to match regional and local needs.
- Provided advice to the Prime Minister to help advance issues related to Employment Insurance, First Nations' rights and lands, health and consumer safety, culture, immigration, veterans, and public safety.
- Provided policy advice and support on the timely reintroduction of the Extended Employment Insurance Benefits pilot project, thereby helping to ensure that those Canadians most affected by the economic recession receive assistance.

PCO's unique mandate also includes support for the functioning of government institutions, including support for the functioning of Parliament. In 2010-11, PCO provided public service advice and support to the Prime Minister and ministers in the Prime Minister's portfolio—including the Leader of the Government in the House of Commons, the Leader of the Government in the Senate and the Minister of State (Democratic Reform)—on the development and implementation of the Government's parliamentary and legislative programs and the democratic reform agenda. For example, PCO provided policy and procedural advice on parliamentary and legislative issues; ensured that all government bills for introduction in Parliament were prepared in a form consistent with Cabinet decisions; developed a timetable to meet the Government's parliamentary and communications agendas; provided policy, legislative, and operational support to the Minister of State (Democratic Reform) on democratic reform issues; and managed and coordinated the Government's responses to Parliamentary Returns. PCO also provides legal advice and support to the Prime Minister, portfolio ministers and senior officials on a wide range of policy, program, personnel and operational issues. In 2010-11, this advice responded to emerging issues as well as to ongoing legal and policy concerns.

In 2010-11, parliamentarians presented a total of 2,390 requests for information to the Government in the form of public petitions, written questions on the Order Paper and notices of motions for the production of papers. PCO coordinated the production of ministerial responses (Parliamentary Returns) to these requests with up to 130 government organizations. A total of 2,339 Parliamentary Returns were tabled in Parliament including 1,409 responses to public petitions, 905 responses to members of Parliament's written questions, and 25 responses to senators' written questions.

To give an idea of the extent of this work, consider that from April 1, 2010 to March 31, 2011, the Government introduced 60 bills in Parliament and that 31 bills received Royal Assent. PCO supported the Government by providing policy advice and coordinating the logistics of the decision-making process. In the end, these bills

For example, in 2010-11, PCO:

- Provided advice to the Prime Minister and Cabinet regarding amendments to the Criminal Code leading to the passage of the *Standing Up For Victims of White Collar Crime Act* (Bill C-21), which provides a mandatory minimum sentence of imprisonment for a term of two years for fraud with a value that exceeds one million dollars.
- Provided advice to the Prime Minister, the Minister of State (Democratic Reform) and Cabinet on amendments to the *Constitution Act, 1867*, resulting in the introduction of the Democratic Representation Act (Bill C-12).

not only helped to sustain Canada's economic recovery by enacting key parts of the EAP, they also strengthened protection for Canadian individuals, families and communities. Some examples of legislation for which PCO provided advice and support in 2010-11 are shown in the box above.

PCO also provided a broad range of advice and leadership to other government departments on the management of parliamentary and legislative issues, to ensure that the Government's legislative and parliamentary program and decision making were supported and implemented and that the institutions of government were supported and maintained. This included regular briefings provided to deputy ministers on the Government's priorities and on the management of specific issues in Parliament, as well as support to officials in government organizations on parliamentary procedures, committee issues, private members' business and Parliamentary Returns issues.

Finally, in 2010-11, PCO provided advice and support regarding the management of specific issues such as the Prime Minister's prerogative for machinery of government and legal, parliamentary and constitutional challenges facing the Government. These efforts support the proper functioning of government institutions.

For example, in 2010-11, PCO:

- Provided advice to the Prime Minister on the appointment and installation of a new Governor General.
- Provided support to the Prime Minister on ministerial mandates, the structure and operation of Cabinet and its committees, and the structure and form of government organizations.

A large part of PCO's policy work under this Program Activity is determined by the Government's forward policy agenda. While the majority of the forward agenda is typically set out by the Government in advance as commitments made in the Speech from the Throne and the Budget, this is not always the case. Unexpected events and crises can arise, and when they do, the Government must respond in short order. PCO provides advice and support to the Government in relation to Canada's role in the management of events and crises of domestic and international scope and bearing. This work can range from analytical advice to support for coordination efforts.

For example, in 2010-11, PCO:

- Provided timely advice and support to the Prime Minister following the oil spill in the Gulf of Mexico.
- Provided timely advice and support to the Prime Minister following the triple disaster of an earthquake, a tsunami and a nuclear disaster in Japan. Issues included: Canada's potential role in responding to the events; the safety and security of Canadian citizens in Japan; the risks these events might pose to Canada; and how Canada would respond were a similar event to occur here in Canada.
- Provided timely advice and support to the Prime Minister on the provision of supports for Canadians living in countries experiencing civil unrest, such as Libya, Egypt and Tunisia. Also, provided timely advice and support for the quick passage of the *Freezing Assets of Corrupt Foreign Officials Act*, which was introduced in response to developments in Egypt and Tunisia.
- Provided timely advice and support to the Prime Minister on the situations in Haiti and Chile following the earthquakes there in 2010.

The Government also adjusts its forward agenda to include decisions needed on emerging issues, replacing less urgent items from the planned schedule. As with unexpected events and crises, emerging issues may relate to domestic as well as international affairs.

For example, in 2010-11, PCO:

- Provided advice and support with regard to citizen's arrest and defence of property, an issue that came to prominence in 2009 and 2010. PCO supported the Department of Justice to develop legislative amendments that were introduced to expand the circumstances in which a private citizen may make an arrest, re-formulate the law in relation to self-defence and the defence of property, and clarify the situations in which reasonable use of force is justified.
- Provided advice and support with regard to human smuggling and illegal migration, an issue that came to prominence in 2009 and 2010 with the arrival of the *Ocean Lady* and the *Sun Sea* off Canada's west coast. PCO supported the work of a special advisor appointed to coordinate the Government's response to human smuggling and illegal migration and provide advice and recommendations to the Prime Minister and Cabinet.
- Provided legal, policy, secretariat and technical services to facilitate the work of an ad hoc committee of parliamentarians and the independent Panel of Arbiters tasked with determining whether and how information relevant to Canadian-transferred Afghan detainees should be made available to parliamentarians and the public.

Given that dealing with unexpected events, crises and emerging issues is part of the business of governing a country, the forward agenda is typically set up to allow for some flexibility. Similarly, PCO plans its own work with a

view to the possibility that it may need to adapt and adjust its course as needed.

PCO is also responsible for policy advice and support to the Prime Minister and portfolio ministers in a number of specific areas. For example, PCO advises the Government on policy issues linked to foreign policy, defence, international development, international trade and national security priorities.

For example, in 2010-11, PCO:

- Provided advice on Canada's next phase of engagement in Afghanistan, which includes a transition to a military and police training role and a continued focus on development and humanitarian aid.
- Provided support for the Prime Minster's leadership at the G8 and G20 summits.
- Provided advice and support for the Muskoka Initiative on Maternal, Newborn and Child Health, an initiative to support maternal and child health around the world. During Canada's G8 presidency, the Muskoka initiative received pledges totalling $7.3 billion from the G8 and other partners.
- Provided advice and support to the Prime Minister leading up to a joint declaration in support of national security and competitiveness—Beyond the Border: A Shared Vision for Perimeter Security and Economic Competitiveness—signed by the Prime Minister of Canada and the President of the United States in February 2011.
- Provided advice and support leading up to the announcement of the creation of a Canada-U.S. Regulatory Cooperation Council in February 2011.
- Provided advice on the benefits of free trade between Canada and India and supported work leading up to the launch of free trade negotiations with India in November 2010.
- Provided advice and support leading up to the signing of the Canada-Panama Free Trade agreement in May 2010.
- Provided advice and support to the Prime Minister leading to a decision to deploy Canadian Forces to support the implementation of United Nations Security Council resolutions dealing with Libya.
- Provided advice and support to the Prime Minister on the final report of the Commission of Inquiry into the Investigation of the Bombing of Air India Flight 182 and the subsequent Government response to the inquiry's recommendations (Air India Inquiry Action Plan).
- Provided advice on topics such as: Arctic foreign policy; cyber security, transportation and aviation security; and trade relations with emerging partners in Asia and the Americas.

In a similar vein, in 2010-11, PCO provided advice and support to the Minister of Intergovernmental Affairs and the Prime Minister on issues that impact federal-provincial-territorial relations. The management of intergovernmental affairs is an ongoing priority of the Government and the Prime Minister, since effective and efficient collaboration among Canada's various orders of government is critical to the country's competitiveness and prosperity. In 2010-11, PCO played a key role in facilitating this important national priority by providing expertise on issues linked to jurisdiction and accountability and by providing advice to support the strategic management of the intergovernmental agenda. Specific activities included: advice and support to the Prime Minister, the Minister of Intergovernmental Affairs and the Clerk of the Privy Council on bilateral and multilateral engagement with the provinces and territories, and on intergovernmental policies and commitments, including open federalism, federal spending power and the EAP.

For example, in 2010-11, PCO:

- Provided ongoing coordination and support for the Government's relationship with the provinces and territories by developing advice and options for managing the intergovernmental dimensions of the key files shaping the federation in the short, medium and long term; and by supporting effective engagement and collaboration among governments.
- Provided support for federal-provincial-territorial Clerk and Cabinet Secretaries' meetings.

Finally, during the past fiscal year, PCO provided advice and support related to the Public Service to the Prime Minister and Cabinet on the recruitment, selection, appointment and compensation of senior officials in the public sector (i.e., Governor-in-Council appointments, deputy ministers, heads of agencies, boards, commissions and Crown corporations). This advice and support included legal and operational advice and support as well as analysis of leadership needs, succession planning, leadership development, performance management and the general management of the Public Service's senior leaders. PCO also supported the Clerk in his role as Head of the Public Service. The appointment function is central to the Government's ability to carry out its mandate. Making competency-based, quality appointments ensures that public sector organizations are effectively managed and able to meet their mandated objectives in a way that demonstrates accountability. PCO works to ensure that the expectations of

the Prime Minister with respect to Governor-in-Council appointees, as set out in *Accountable Government—A Guide for Ministers and Ministers of State*, are fully met. These expectations state that "It is essential that all appointees be well qualified, and senior government appointees must be chosen through a process that ensures broad and open consideration of proposed candidates."

Lessons Learned

Advice and support to the Prime Minister and portfolio ministers on issues and policies—including advice on fiscal and economic matters, support for the institutions of government and strategic communications regarding initiatives—are critical aspects of PCO's mandate. These advisory functions support the Government's ability to identify, act on and communicate its priorities.

As illustrated in the preceding section, in 2010-11, PCO successfully delivered on the plans and priorities outlined in its *2010-11 Report on Plans and Priorities* (RPP), including, for example, the provision of advice and support related to the ongoing implementation of Canada's Economic Action Plan (EAP) and economic and fiscal advice linked to stimulus efforts and the return to fiscal balance. It also provided advice and support linked to the implementation of Canada's engagement in Afghanistan; the facilitation of the Prime Minister's leadership in hosting the G8 and G20 summits; the advancement of Canada's relations with emerging economies and the strengthening of the Canada-U.S. relationship.

However, a major part of fulfilling PCO's unique role of supporting the development and implementation of the Government's agenda involves being sensitive to and anticipating the need for adjustments to its own operations, particularly as the forward agenda changes over the course of the year. Accordingly, PCO regularly engages in self-appraisals and anticipates its own short and medium-term needs for policy and advisory support—particularly in cases where a heightened response to unexpected events, crises and emerging issues is required. One good example relates to the creation of the office of Special Advisor on Human Smuggling and Illegal Migration, an office created for the coordination of the Government's strategy and response to human smuggling.

PCO also mitigated risks associated with its support for the EAP and with its provision of economic and fiscal advice in 2010-11. One of the biggest risks that Canada's Auditor General identified for the EAP was that money would flow without appropriate accountability mechanisms—this, in part, as a result of the need to roll out the program quickly in response to the economic downturn. However, as the Auditor General indicated in the *2010 Fall Report of the Auditor General*, PCO and other central agencies have done a good job of identifying and managing the risks associated with the need to roll-out the EAP quickly. This recent experience assisted PCO in responding quickly and effectively to the Government's decision to extend the deadline for EAP infrastructure projects that met the Government's criteria. Accordingly, PCO provided timely communications support for the announcement as well as support for the report to Parliament. Additionally, and as a typical instance of PCO's self-monitoring process, in 2010-11, PCO recognized a need to hire specialist staff to strengthen its capacity for providing fiscal and economic advice in response to changing economic conditions. This sort of ongoing self-assessment is part of PCO's regular work and is crucial to the successful fulfillment of PCO's advisory and supporting roles.

Through its core functions, PCO provides specialist advice and support to senior government officials that no other department is equipped to provide. An especially good example of this relates to PCO's ongoing support for the Government's program in Parliament and its mandate to provide timely advice and support on the development of legislative initiatives required to implement government decisions—two areas where PCO is uniquely qualified to provide advice and support to government. In 2010-11, the parliamentary environment gave rise to the need for timely and relevant expert public sector advice on machinery of government and legislative issues. Furthermore, growing challenges around managing public policy issues—characterized by the increasing complexity of legal regimes and increasing demand for timely, quality advice on litigation—resulted in greater demand on supports for the work of Cabinet. The lesson gained from this experience is that PCO will need to find new and more efficient ways to deliver on its core advisory and supporting roles.

Additionally, in 2010-11, PCO also addressed a recognized need to adapt its policy and support on parliamentary issues to serve changing requirements in Paliament. For example, in 2010-11, PCO strengthened its monitoring and

tracking systems to enable the Government to respond to a record number of Parliamentary Returns within the deadlines established by Parliament.

Finally, in 2010-11, PCO worked to meet heightened expectations for greater transparency and accountability in the senior appointment process. For example, recruitment for Governor-in-Council positions in leadership and for full-time positions follows rigorous, competency-based selection processes.

Program Activity 1.2:

Cabinet and Cabinet committees' advice and support[10]

To ensure the smooth functioning of Cabinet decision making, PCO provides policy advice and secretariat support to the Cabinet and Cabinet committees by preparing briefing material and distributing agendas and Cabinet documents. It facilitates integration across the federal community in support of the implementation of the Government's agenda by departments and agencies. PCO engages in consultation with departments and agencies, provides a challenge function during the policy development process and researches issues. PCO also ensures that proposals take into account issues related to implementation, communications, parliamentary affairs and federal-provincial-territorial relations.

2010-11 Financial Resources (thousands of dollars)

Planned Spending	Total Authorities	Actual Spending
17,253	17,911	17,387

2010-11 Human Resources (FTEs)

Planned	Actual	Difference
131	133	2

10. For a description of Cabinet Committee Mandates and Membership, please see http://pm.gc.ca/eng/feature.asp?pageId=53.

Expected Results	Performance Indicators	Targets	Performance Status
The functioning and integrity of Cabinet decision-making processes are maintained.	The Cabinet has received value-added information on which to base decisions.	This activity centres on the provision of advice and support. Although targets are not appropriate for advice, information on the quantity of activity related to support activities is being collected. Over time, this will provide trend information that will contribute to efficient operations.	PCO supported departments in the preparation of memoranda to Cabinet and Ministerial presentations to ensure that Cabinet received value-added information on a number of topics, including social, economic and regional development, foreign affairs, defence, international development, public safety, national security and intelligence.
	• Number of full meetings of Cabinet and Cabinet Committees		A total of 166 meetings of Cabinet and Cabinet Committees were organized in 2010-11.
	Cabinet documents are distributed in a timely manner to ministers.		PCO distributed Cabinet documentation in a timely manner, providing Cabinet ministers with sufficient time for briefing and making informed decisions.
	Deputy ministers are regularly informed of the Government's agenda and activities.		
	• Number of deputy minister meetings and day-long sessions		In 2010-11, there were 130 deputy minister meetings, of which three were day-long sessions.
	Departments are able to prepare Memoranda to Cabinet and ministerial presentations that propose action to implement the Government's agenda.		PCO provided this support by exercising due diligence, providing a challenge function, and providing feedback to departments to ensure the coherence of proposals within the Government's broader management, fiscal and policy agenda, and to ensure that departments have undertaken a complete analysis, considered all implications and consulted relevant stakeholders.

Performance Summary and Analysis of Program Activity

In addition to its broad role of providing policy advice and support to the Prime Minister and portfolio ministers, PCO devotes about one-fifth of its resources to advising and supporting Cabinet and its committees. Cabinet and Cabinet committee meetings cover a wide range of topics, including social, economic and regional development, foreign affairs, defence, international development, public safety, national security and intelligence. PCO's work in support of Cabinet and its committees is carried out in an environment of strict confidentiality. For this reason, a general description of PCO's work in support of Cabinet operations and integration across the federal government is given below.

As part of their work in support of Cabinet and Cabinet committee meetings, PCO analysts provide non-partisan advice to committee chairs. For example, PCO performs due diligence on policy proposals and provides early-stage feedback to departments. This work helps to ensure that departments have undertaken a complete analysis, considered all implications (including legal ones), and consulted the relevant stakeholders. The review of departmental proposals also informs several related advisory activities, such as the preparation of scenario and briefing notes for items going to Cabinet; the preparation of summaries of discussions and records of decisions; and the communication of Cabinet decisions across government. Through this work, PCO ensures that proposals meet standards of quality suitable for ministerial consideration before they are presented to Cabinet and Cabinet committees.

For example, in 2010-11, PCO:

- Ensured that departmental policy proposals considered all viable policy options, that the implications of proposed policies had been fully considered and that proposed policies were consistent with the Government's broader objectives.
- Provided value-added information to committee chairs on departmental proposals, on a number of topics, including: economic, environmental, social, foreign policy, national security, defence, international assistance and public safety, communications, legal, parliamentary, intergovernmental, regional and sectoral topics.

While much of this advisory work is planned in advance (in support of the anticipated work of committees on priorities and planning, operations, social affairs, economic growth and long-term prosperity, environment and energy security, foreign affairs and defence, and Afghanistan); some of it is not. For instance, 2010-11 witnessed a number of developments that required the urgent attention of Cabinet and its committees, such as the sinking of a South Korean naval ship, the situations in the Middle East and North Africa and the irregular arrival of migrants off Canada's west coast. In 2010-11, PCO provided advice and support for the work of Cabinet and its committees in relation to these and other developments.

- In 2010-11, the Cabinet Paper Systems Unit (CPSU) liaised with ministers' offices, various secretariats in PCO, security personnel, information technology experts, and with Public Works and Government Services Canada interpreters (to keep them informed of the weekly schedule of meetings).
- In 2010-11, PCO overcame several logistical challenges presented by the need to schedule meetings during parliamentary break periods, the need for secure remote communication, and the need to securely distribute documents to ministers outside of the National Capital Region.

PCO also plays an important role in the operation of Cabinet committees; its role is to ensure that the functioning and integrity of Cabinet decision-making processes are maintained. To this end, PCO provides secretariat support and manages the flow of Cabinet business. In 2010-11, PCO provided logistical support for Cabinet and Cabinet committee meetings, maintaining a comprehensive forward agenda of Cabinet business, scheduling meetings, proposing agenda items; formatting Cabinet papers; and arranging for departmental representation, translation, audio-visual support and security. PCO also worked with other government departments to meet deadlines for the filing of Cabinet documents, to provide ministers with adequate time to review documents, to brief ministers on the subject-matter of meetings and to consider policy proposals. This work helps to ensure that ministers are provided with the information required for Committee discussions.

In addition to providing Cabinet chairs with non-partisan advice and Cabinet committee operations with logistical support, the second major function that PCO performs under this Program Activity is to facilitate policy integration across the federal government. This integration helps to ensure that items for Cabinet committee consideration are reflective of the Government's priorities and are the result of broad departmental consultation. For

example, as part of its challenge function of providing feedback to departments, PCO works with other departments to ensure that new policies are consistent with the Government's broad policy objectives. In addition, PCO helps to ensure that departments proposing new policies have consulted relevant stakeholders. Whether acting in an advisory or a supporting capacity, the primary goal is to facilitate an integrated and coordinated approach to policy development and implementation across the federal government.

For example, in 2010-11, PCO:

- Worked closely with other government departments to ensure Canada's economic competitiveness, supporting, for example, Canada's engagement with the United States on trade and perimeter security as well as its engagement with emerging market economies such as China and India.
- Facilitated significant coordination and integration efforts across the federal government, to ensure both coordination between federal departments and consistent and coherent federal engagement with provincial and territorial governments, municipalities, non-governmental organizations and other stakeholders.
- Worked closely with Public Safety Canada and other federal departments and agencies to develop key Government policy initiatives; in particular, Canada's National Cyber Security Strategy and the Government of Canada's Response to the Commission of Inquiry into the Investigation of the Bombing of Air India Flight 182 (Air India Action Plan).
- Provided operational support for the management of legislation and Parliamentary Returns and integrated and coordinated the legal analysis and perspective on policy and operational proposals put before the Cabinet and its committees.
- Coordinated efforts of departments and agencies working to prevent future irregular arrivals of migrant vessels, and, in particular, identified the need for agreed strategic objectives to align departmental activities and ensure respect for core mandates in an integrated, whole-of-government approach.

PCO's administrative and coordinating support for the operation of Cabinet committees also contributes to policy integration. In 2010-11, PCO facilitated a variety of deputy ministers' forums, including the Coordinating Committee of Deputy Ministers and the Coordinating Committee on Afghanistan, helping to ensure that deputy ministers had opportunities to discuss key issues and to develop an integrated federal approach to the Government's major policy initiative.

For example, in 2010-11, PCO:

- Supported a variety of deputy ministers' meetings: Deputy Minister and Clerk meetings, which develop policy positions on specific issues; weekly Deputy Ministers' Breakfasts, which ensure follow up on the outcomes of Cabinet and Cabinet committee meetings; bi-monthly meetings of the Coordinating Committee of Deputy Ministers, which support senior deputies' discussions of key issues; and Deputy Ministers' Day-long Sessions, which allow the deputy community to discuss management priorities and policy issues.
- Supported the deputy ministers' Coordinating Committee on Afghanistan and provided a whole-of-government perspective that helped to integrate efforts across departments. For example, in 2010-11, PCO assisted in the intergovernmental consultation that led to the announcement, in November 2010, that Canada's post-2011 engagement in Afghanistan would shift to a focus on development and humanitarian aid and on the training of Afghan National Security Forces. PCO also helped to coordinate the post-2011 engagement plan on behalf of the Government.
- Coordinated the work of the deputy minister policy committees in their analysis of medium-term issues—these being the deputy minister committees on: Economic Trends and Policies; Climate Change, Energy and the Environment; Social Trends, Policies and Institutions; Security and Intelligence; and Global Trends, Foreign Affairs and Defence Issues. This included organizing a series of discussions at the Coordinating Committee of Deputy Ministers, which includes the policy committee co-chairs and is chaired by the Clerk of the Privy Council, to review and discuss the policy committees' work plans and progress to date. PCO also engaged in ongoing monitoring and liaison at the working level with the departmentally based secretariats of each committee. PCO was able to draw on the results of these deliberations to help the Public Service in preparing advice to the Government in the development of its medium-term agenda.

Finally, in 2010-11, several international events and initiatives required PCO to provide significant interdepartmental coordination, which also assists with policy integration at a federal level.

For example, in 2010-11, PCO:

- Provided coordinated security and intelligence leadership across the federal government for the G8 and G20 summits, working with a broad range of federal departments, as well as with a large number of other stakeholders, domestically and internationally.
- Provided coordinated support for the development of a Canada-U.S. perimeter strategy to enhance security and to accelerate the legitimate flow of people, goods and services across the border. This required collaborating with many departments and agencies, including Citizenship and Immigration Canada, the Department of Foreign Affairs and International Trade, Public Safety Canada, Transport Canada, the Canada Border Services Agency and the Royal Canadian Mounted Police. PCO hosted and attended meetings and briefing sessions, supported Cabinet discussions and ensured an integrated approach.

Lessons Learned

As planned for 2010-11, PCO provided policy advice and logistical support to the Cabinet and its committees and facilitated policy integration across the entire federal government.

The policy advice provided to Cabinet and its committees in 2010-11 was essential to the implementation of the Government's agenda, as expressed in the Speech from the Throne, the Budget, ministers' mandate letters and government priority announcements. This advisory support helped to maintain the effectiveness of the Government's decision-making system and to ensure that the decisions of Cabinet ministers are implemented. The work constitutes a core government service, enabling the effective functioning of the entire federal system.

PCO also provided advice and support for processes that affect the Cabinet decision-making system in 2010-11. As in previous years, the renewal process for "time-limited" or "sunsetting" programs provided permanent funding to effective programs and terminated underperforming ones. In 2010-11, PCO made adjustments to the process to better ensure a thorough review of programs. Going ahead, the sunsetting programs that are provided permanent funding will be evaluated as part of ongoing department-wide spending reviews. This will eventually eliminate the need for a separate Cabinet committee approval process for renewing sunsetting programs and will therefore support a more efficient use of Cabinet time.

In addition to ensuring the availability of appropriate policy expertise and operational support to advance the work of Cabinet and its committees, PCO must also ensure that it has the flexibility and versatility needed to assist the Government in addressing unexpected events, crises and emerging issues that require urgent Cabinet attention. With regards to the latter, PCO's 2010-11 work in coordinating the Government's response to human smuggling and illegal migration led to the recognition that additional specialized training was needed for Canadian officials working in interdepartmental, whole-of-government teams. PCO addressed this need through integrated training and briefing sessions. These sessions supported PCO's policy integration efforts in a variety of ways, including, for example, helping to clarify participant roles and responsibilities in relation to departmental mandates and legislative frameworks.

In 2010-11, despite the risks associated with competing demands for resources to deliver on planned activities, the changing forward agenda and unexpected events, crises and emerging issues, PCO succeeded in working closely with line departments and other central agencies to ensure that high-priority proposals were prepared for Cabinet consideration. This served to ensure that policies in priority areas were appropriately advanced and helped to maximize efficiencies with respect to implementing the Government's forward agenda.

Program Activity 1.3:

Public service leadership and direction

PCO sets strategic direction for the Public Service to foster a high-performing and accountable public service that has the talent, leadership capacity and management frameworks to provide advice on and implement the Government's agenda. It also plays a key role in the management development and succession planning for senior leaders in the Public Service.

2010-11 Financial Resources (thousands of dollars)

Planned Spending	Total Authorities	Actual Spending
3,647	4,144	3,968

2010-11 Human Resources (FTEs)

Planned	Actual	Difference
23	28	5

Expected Results	Performance Indicators	Targets	Performance Status
The Public Service has the talent, capacity and management frameworks to provide advice on and implement the Government's agenda.	The Prime Minister and the Clerk are provided with advice and support on Public Service Renewal. • Number of meetings and sessions of the Prime Minister's Advisory Committee on the Public	Information on the quantity of activity related to support is being collected. Over time,	Through regular meetings of the Committee of Senior Officials, PCO supports the Clerk in managing the senior leadership cadre of the Public Service. There were three meetings of the Prime Minister's Advisory Committee on the Public Service

	Service. • Number of meetings of the Deputy Minister Committee on Public Service Renewal and its sub-committees. The Public Service and its leaders are provided with advice and support. • Prime Minister's Advisory Committee on the Public Service's Report • Clerk's Annual Report • Public Service Renewal Action Plan • Number of Clerk and Associate Secretary outreach activities on Public Service Renewal The Committee of Senior Officials is provided with advice and support. • Number of Committee of Senior Officials and sub-committee meetings	this information will provide trend information that will contribute to efficient operations. Narrative reporting in the form of reports provides valuable performance information but is not suited to the establishment of trends or targets.	There were eight sessions of the Deputy Minister Committee on Public Service Renewal and its sub-committees The Fifth Report of the Prime Minister's Advisory Committee on the Public Service was published in March 2011. The Clerk's *Eighteenth Annual Report to the Prime Minister on the Public Service of Canada* was tabled and released in March 2011. The stand-alone Public Service Renewal Action Plan was discontinued this year; however, the Clerk's Eighteenth Annual Report contains three renewal priorities against which deputy heads must report by February 2012. There were 27 Clerk and Associate Secretary outreach activities on Public Service Renewal There were 11 meetings of the Committee of Senior Officials and its sub-committees.

Performance Summary and Analysis of Program Activity

In 2010-11, PCO supported the Clerk's leadership on Public Service Renewal, through the coordination of renewal activities with other central agencies and departments, as well as through the preparation of the Clerk's *Eighteenth Annual Report to the Prime Minister on the Public Service*—a document that sets out the corporate blueprint for renewal of the Public Service as a whole. PCO also provided ongoing advice, and secretariat research and analytical support to the Deputy Minister's Committee on Public Service Renewal and to the Prime Minister's Advisory Committee on the Public Service (a body comprised of eminent Canadians that offer advice and

recommendations to the Prime Minister on how to renew and improve this national institution). Further, in 2010-11, PCO supported the process whereby deputy ministers reported to the Clerk on progress in implementing renewal within their departments: namely, in knowledge transfer; learning, development and recognition; and in the tools and systems used to collaborate. Overall, renewal activities and initiatives carried out over the past fiscal year fostered a high-performing and accountable Public Service—one with the capacity to serve the Government and Canadians with excellence in the years ahead.

> The Clerk's *Eighteenth Annual Report to the Prime Minister on the Public Service of Canada*
>
> A Commitment to Excellence
>
> "Canadians need—and expect—a high-performing Public Service that can deliver results in a fast-changing world.
>
> Whether renewal efforts are aimed at the workforce or the workplace, the goal is to achieve excellence in all aspects of our business—in management, in policy, in program and service delivery, and in regulation.
>
> Excellence will be demonstrated differently across the many business lines of government. But in all cases it will mean a focus on results and on adapting and responding to a complex environment."

Renewal of the Public Service remains the Clerk's top management priority. Further to Budget 2010, PCO supported the Clerk's leadership in the renewal effort by conducting a comprehensive review of government administrative functions and overhead costs, i.e., the Administrative Services Review.

> In 2010-11, PCO led the Administrative Services Review, which aims to identify opportunities for additional savings through simplification of administrative processes and service delivery mechanisms. To date, opportunities identified for additional savings and improved service delivery include the consolidation of information technology infrastructure services such as email, data centres and networks.

The quality of the senior leadership of the Public Service is central to the Government's ability to carry out its mandate. Proactively addressing leadership challenges in the Public Service requires a commitment to strong people management. In 2010-11, PCO supported the Clerk and the Prime Minister in building a strong and substantial contingent of senior leaders. This was accomplished through analysis of current gaps and risks, development of corporate-wide plans to address succession challenges, and effective management of the leadership community. Over the last year, the Public Service has successfully met many challenges, such as the

implementation of the EAP. This is due, in large part, to the quality of its senior leaders and to their ability to deliver the priorities of the Government while also maintaining high standards in the provision of services to Canadians. PCO's role in supporting effective succession, talent and performance management of senior leaders is crucial to ensuring that the Public Service can effectively handle these challenges.

PCO's work under this Program Activity also involves providing advice and support to the Committee of Senior Officials (COSO) and its sub-committees. In 2010-11, this support helped in managing the challenges facing the leadership cadre, such as changing demographics, succession planning, performance management and leadership development. Over the years, support to COSO has helped to develop a culture of high performance—a culture that has ensured public institutions have the leadership and management capacity, now and in the future, to deliver on the Government's agenda.

Lessons Learned

Renewal of the Public Service is a key initiative in support of the Government's ability to carry out its mandate. The implementation of the Public Service Renewal initiative has met with considerable success since its inception in 2006. This success led PCO, in 2010-11, to adjust the initiative to meet current needs.

When the Public Service Renewal initiative was launched in 2006, Public Service Renewal action plans were developed by PCO. These action plans contained enterprise-wide targets for specific aspects of Public Service Renewal, including integrated planning, recruitment, employee development and enabling infrastructure. Since then, significant progress has been made; in fact, to the extent that renewal has itself evolved to become a sustained strategy aimed at continuous improvement of the Public Service. As such, it is no longer necessary for departments and agencies to produce detailed, specific action plans outlining their short-term activities and deliverables. Instead, deputy ministers have been asked to report annually to the Clerk on progress in their departments and, in particular, on efforts to achieve excellence in three areas: engagement of employees in the excellence agenda; renewing the workforce; and renewing the workplace. The first such report is due in February 2012.

In 2010-11, PCO continued to work to support excellence in senior leadership, not only by addressing the demographic realities facing the Public Service, but also by ensuring that Public Service leaders have the support and skills needed to meet challenges in the years ahead. It is expected that ongoing efforts will be needed in these areas, including efforts to recruit senior leaders as the workforce ages and to support senior leaders in their advancement of the Government's priority of returning to fiscal balance.

Given the ongoing need for professional, non-partisan advice in support of the Public Service, PCO will continue to work toward ensuring that the Public Service remains a vibrant and accountable organization dedicated to the service of the Government and Canadians.

Program Activity 1.4:

Commissions of inquiry

The commissions of inquiry have budgets to carry out their operations. Additionally, PCO provides financial and administrative support as well as a broad range of expertise to assist commissions of inquiry in fulfilling their mandates.

2010-11 Financial Resources (thousands of dollars)

Planned Spending	Total Authorities	Actual Spending[11]
112	15,137	13,242

2010-11 Human Resources (FTEs)

Planned	Actual	Difference
1	21	20

11. Actual Spending reflects the total cost of commissions of inquiry, even though PCO only provides administrative support for these organizations.

Expected Results	Performance Indicators	Targets	Performance Status
Commissions of inquiry receive required resources as well as advice and guidance on financial and administrative matters.	Commissions of inquiry have received appropriate resources, as well as the necessary services, advice and guidance in a timely manner.	The creation of a commission of inquiry is unpredictable and depends on external situations. Therefore, targets and/or trends are not useful for this activity.	In 2010-11, PCO supported three commissions of inquiry, providing resources, services, advice and guidance in a timely manner.

Performance Summary and Analysis of Program Activity

Commissions of inquiry are small organizations that operate at arm's length from the Government. PCO facilitates the organization and establishment of commissions of inquiry and provides them with ongoing administrative support. For example, PCO can initiate arrangements for accommodation, furnishings and equipment for commissions, which helps to ensure that the work of commissions proceeds efficiently. PCO can also provide for ongoing administrative advice and support in the following areas: staffing, acquisition services, contracting, financial services, accessing funding, records management, payroll support, posting information on the Internet, translation, legal services, security and systems support.

In 2010-11, the planned spending and human resources identified for this Program Activity covered the forecast cost for the full operation of the following commissions of inquiry:

- Commission of Inquiry into the Investigation of the Bombing of Air India Flight 182 (http://www.majorcomm.ca).
- Commission of Inquiry into Certain Allegations Respecting Business and Financial Dealings Between Karlheinz Schreiber and the Right Honourable Brian Mulroney (http://www.oliphantcommission.ca)
- Commission of Inquiry into the Decline of Sockeye Salmon in the Fraser River (http://www.cohencommission.ca)

The Commission of Inquiry into the Investigation of the Bombing of Air India Flight 182 and the Commission of Inquiry into Certain Allegations Respecting Business Financial Dealings Between Karlheinz Schreiber and the Right Honourable Brian Mulroney came to a close in 2010-11.

Lessons Learned

Commissions of inquiry respond to unique sets of needs and situations. As such, it is difficult to generalize about commission practices that will successfully carry over into future commissions. PCO's role is primarily that of providing advice on organization and administrative support. As such, PCO's focus is on ensuring that commission mandates are well prepared and that administrative efficiencies are maximized.

In 2010-11, PCO provided commissions of inquiry with organizational and internal services support, resources and guidance to accomplish their mandates to investigate incidents of public interest. This support provided the commissions with a consistent administrative framework and immediate access to internal services through PCO's existing infrastructure—all of which contributed to the transparency and accountability of the Government.

Program Activity 1.5:

Internal services

PCO provides services and resources to support its own needs and operations and to fulfill its corporate obligations. The services and resources provided are related to the following areas: management and oversight, communications, legal, human resources management, financial management, information management, information technology, real property, materiel management, acquisitions, travel and other administrative services. Internal services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

2010-11 Financial Resources (thousands of dollars)

Planned Spending	Total Authorities	Actual Spending
47,471	58,430	55,736

2010-11 Human Resources (FTEs)

Planned	Actual	Difference
327	345	18

Performance Summary and Analysis of Program Activity

Internal services are groups of services, activities and resources that are administered to support the needs of programs and other corporate obligations.

In 2010-11, PCO undertook a variety of activities in support of strengthening its internal services, including the following:

PCO strengthened the management of internal security, and, in particular, enhanced its planning and readiness posture in the area of emergency management. This included improving the security of its networks, its telecommunications and its offices. In 2010-11, PCO also established a crisis management cell—PCO's emergency operations centre—to assist senior management in responding quickly and effectively to emergency situations.

PCO also continued to implement its *2010-13 Strategic Human Resources Plan*. As part of this work, PCO held consultations in support of the development of a values and ethics code and continued to implement the findings of an expert panel on integrated business and human resources planning.

PCO consultations in support of the development of a values and ethics code took place within teams and functional work groups and across the organization. These consultations demonstrated a continuing and strong staff commitment to ethical behaviour and non-partisanship.

In 2010-11, PCO made progress toward its goal of developing outcome-oriented performance measures for the provision of professional, non-partisan advice to the Prime Minister and the Cabinet. PCO developed a series of process maps that help to visualize many of its core advisory and coordination functions. These process maps will form the foundation of logic models that will potentially result in new outcome-oriented performance indicators.

In addition to the standard roster of internal services common to all government departments, PCO offers internal services that are specific to its unique mandate. For example, PCO provides leadership and legal advice across all government organizations on the determination of Cabinet confidences under the *Canada Evidence Act* and the *Access to Information Act*. This specialized role reflects PCO's responsibilities for support to the Prime Minister for the effective management of the Cabinet committee system.

For example, in 2010-11, PCO:

- Acted as custodian of Cabinet confidences, providing advice to a wide range of federal departments regarding issues involving Cabinet confidences. This included coordinating investigations into the security incidents involving Cabinet confidences and reviewing 68,051 pages of documents.
- Advised on requests for production of Cabinet confidences by the courts and commissions of inquiry under the *Canada Evidence Act* and advised on the *Access to Information Act* and the *Privacy Act* provisions which apply to Cabinet confidences.
- Provided litigation support to the Department of Justice and agents of the Attorney General in cases where claims of Cabinet confidentiality were subject to court challenges.

Further to this, PCO manages the Government's response to legal challenges that involve PCO or that have government-wide implications. This can include legal services and advice relating to: the exercise of statutory authority; the preparation of draft legislation; senior personnel issues; security and intelligence issues; commissions of inquiry and federal electoral systems and initiatives.

Finally, in 2010-11, PCO provided informatics and technology services support for the development, design and maintenance of the EAP website.

Lessons Learned

Internal services support is fundamental to PCO's ongoing capacity to serve the Prime Minister and Cabinet through objective, non-partisan advice and support. In 2010-11, PCO addressed outstanding organizational challenges in the areas of emergency management, networking and telecommunications and human resource management.

The June 2010 earthquake in central Canada, which affected the National Capital area, served as a reminder that, at a moment's notice, PCO must be able to respond to and recover from any type of emergency or critical event. In 2010-11, PCO addressed this need, adopting a three-tiered, all-hazards approach in establishing a crisis management cell to assist in providing support for emergency management. However, over the course of the year, it also became evident that a comprehensive emergency management program for PCO could not rest on the Crisis Management Cell alone, and that PCO needed to focus on the development of additional emergency plans and procedures. Consequently, PCO developed building emergency response plans for each of the buildings in which PCO is the major tenant as well as service level protocols for all other buildings. A client relations management team was also established within the Security Operations Division to liaise with the various PCO branches and to provide the necessary coordination mechanisms to adjust these plans and procedures and to continually improve the delivery of its services.

PCO's 2010-11 departmental values and ethics consultation not only supported the development of a values and ethics code, but also led to a deepened commitment to ethical behaviour and principles at PCO. The lesson learned from this experience is that the broad-based engagement process for the development of a departmental values and ethics code was itself instrumental in building awareness of and commitment to the initiative, and that continued dialogue between managers and employees will ensure a good understanding of the expected behaviours.

In recent years, PCO has increasingly recognized the extent to which its ability to fulfill its mandate of supporting and implementing the Government's agenda and decision making, and supporting and maintaining the institutions of government depends on strong internal service delivery. In future years, PCO expects to continue to address a growing need for

strong programs to support capacity in areas such as emergency management, internal security and integrated business and human resources planning.

Canada's Economic Action Plan

Program Activity 1.1: Prime Minister and portfolio ministers' support and advice

2010-11 Financial Resources (thousands of dollars)

Planned Spending	Total Authorities	Actual Spending
2,632	2,632	1, 756

2010-11 Human Resources (FTEs)

Planned	Actual	Difference
15	12	-3

Program Activity 1.5: Internal services

2010-11 Financial Resources (thousands of dollars)

Planned Spending	Total Authorities	Actual Spending
951	951	400

2010–11 Human Resources (FTEs)

Planned	Actual	Difference
5	1	-4

In 2010-11, PCO provided advice and support for Canada's Economic Action Plan (EAP) under Program Activities 1.1 and 1.5. This included policy advice, communications advice, support for the EAP deadline extension and technical support for the EAP website. Please see Risk Analysis in Section I and Program Activities 1.1 and 1.5 in Section II for additional details on EAP-related program activities and lessons learned.

Section III: Supplementary Information

Financial Highlights

Condensed Statement of Financial Position
As at March 31, 2011 (thousands of dollars)

	% Change	2010-11	2009-10
Total assets	2%	27,993	27,361
Total liabilities	8%	43,891	40,762
Equity of Canada	19%	(15,898)	(13,401)
Total	**2%**	**27,993**	**27,361**

Condensed Statement of Operations
For the year ended March 31, 2011 (thousands of dollars)

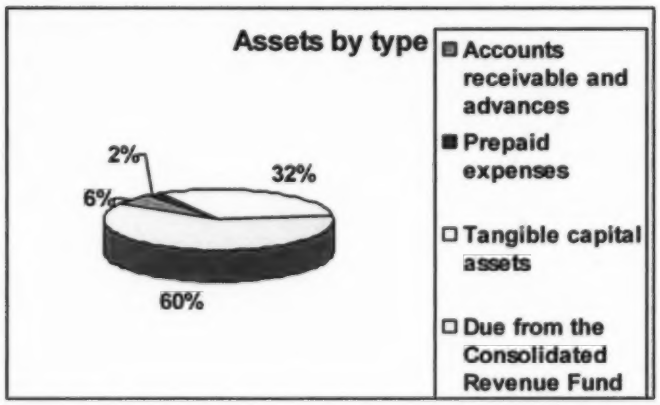
	% Change	2010-11	2009-10
Total expenses	4%	182,815	176,433
Total revenues	(778%)	(8,562)	(11)
Net cost of operations	**1%**	**174,253**	**176,422**

Financial Highlights Charts and Graphs

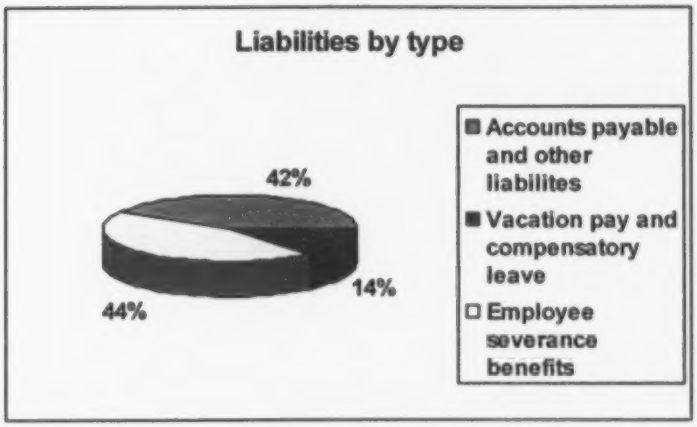
The total decrease of $2,169 thousand in the net cost of operations from fiscal year 2009-10 to 2010-11 was mainly due to an increase in revenue from dividends received from the Canada Land Company (CLC) Limited in the amount of $8.5 million. On August 6, 2010, the Leader of the Government in the House of Commons was appointed as the appropriate minister for the CLC, a federal Crown corporation partially funded by Government authority. The CLC pays dividends to the federal government by submitting payments to PCO, even though these dividend revenues are not generated from departmental activities.

The revenue increase was offset by an increase of $6.4 million in PCO's total expenditures. This increase in expenditures was mainly due to an increase in

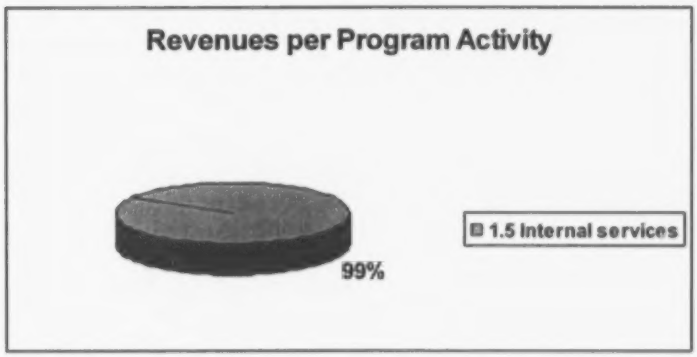
funding received for the Commission of Inquiry into the Decline of the Sockeye Salmon in the Fraser River; funding received to support the Panel of Arbiters; funding for new security-related initiatives to enhance PCO's security posture; and an increase in severance pay and vacation pay liabilities. The increase was partially offset by the closing of the Commission of Inquiry into Certain Allegations Respecting Business and Financial Dealings Between Karlheinz Schreiber and the Right Honourable Brian Mulroney; the closing of the Commission of Inquiry into the Investigation of the Bombing of Air India Flight 182; and the closing of the Internal Inquiry into the Actions of Canadian Officials in Relation to Abdullah Almalki, Ahmad Abou-Elmaati and Muayyed Nureddin. The increase was further offset by a decrease in corporate services costs due to the hiring of full-time staff (instead of temporary help), which helped to generate efficiencies and effectiveness; and a decrease in legal costs related to public inquiries.



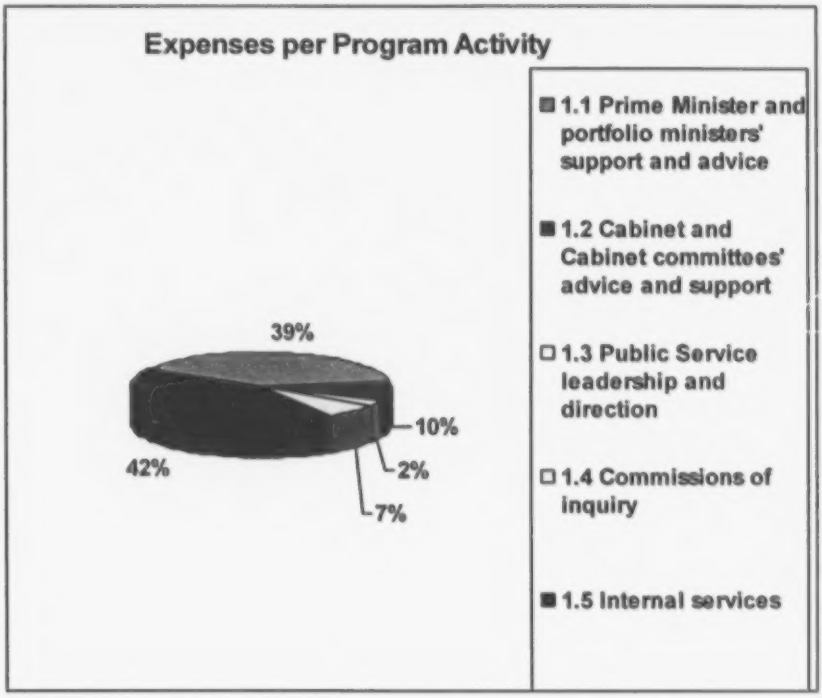
Total assets were $27,993 thousand at the end of fiscal year 2010-11, which represents a minor increase of $632 thousand (2%) over the previous year's assets of $27,361 thousand. PCO's most important assets are the Due from the Consolidated Revenue Fund, at $16,825 thousand (60%); and the Tangible capital assets, at $8,882 thousand (32%). The Due from the Consolidated Revenue Fund is a new requirement from the Treasury Board Secretariat. The amount in this fund represents the net amount of cash required by the department to process internal and external accounts payable and receivable. PCO's tangible capital assets are mainly comprised of informatics-related hardware and software.



Total liabilities were $43,891 thousand at the end of fiscal year 2010-11, which represents an increase of $3,129 thousand (8%) over the previous year's liabilities of $40,762 thousand. The increase was mainly due to an increase in PCO's accounts payable to external parties and to an increase in year-end accrued salaries.



Total revenues for PCO were $8,562 thousand for fiscal year 2010-11. With the exception of $62 thousand, these revenues were entirely related to the dividends received from the CLC, which were reported under Program Activity 1.5, Internal services. On August 6, 2010, the Leader of the Government in the House of Commons was appointed as the appropriate minister for the CLC, a federal Crown corporation that pays dividends to the federal government though payments submitted to PCO.



Total expenditures for PCO were $182,815 thousand for fiscal year 2010-11, compared with $176,433 thousand for fiscal year 2009-10.

Program Activity (PA) 1.1 represents the core of PCO's mandate, which is to serve Canada and Canadians by providing professional, non-partisan policy advice and support to the Prime Minister and portfolio ministers. The increase in the level of expenses from fiscal year 2009-10 to fiscal year 2010-11 for PA 1.1 was mainly due to funding received for the Panel of Arbiters, which was created for the review of documents related to the transfer of Afghan detainees by the Canadian Forces; and a realignment of resources, made as part of the 2010-11 Annual Reference Level Update (ARLU) process, in order to facilitate the transfer of two activities, the Media Centre and the Prime Minister's switchboard, from PA 1.5 to PA 1.1.

The increase in expenses from 2009-10 to 2010-11 was partially offset by measures identified in the day-to-day operations of the Prime Minister's Office and the closing of the Office of the Coordinator for the 2010 Olympics and G8 Security following the completion of the G8 and G20 summits.

Furthermore, a change in allocations affecting the Security Operations Division resulted in a decrease in expenditures coded under PA 1.1 and an increase in expenditures coded under PAs 1.2 and 1.5.

PA 1.2 provides policy advice and secretariat support to Cabinet and Cabinet committees. There was no material variance in the level of expenditures in 2010-11 compared with 2009-10, except for the variation related to the change in allocation for activities under the Security Operations Division, which resulted in a small increase in expenditures coded under PA 1.2.

PA 1.3 provides overall leadership and direction to the Public Service in support of the Government's agenda. There was no material variance in the level of expenditures in 2010-11 compared with 2009-10.

PA 1.4 provides commissions of inquiry with administrative and financial support. In 2010-11, there was an increase in expenditures related to the operation of the Commission of Inquiry into the Decline of Sockeye Salmon in the Fraser River. This increase was partially offset by the closing of The Commission of Inquiry into certain Allegations Respecting Business and Financial Dealings Between Karlheinz Schreiber and the Right Honourable Brian Mulroney; the Commission of Inquiry into the Investigation of the Bombing of Air India Flight 182; and the Internal Inquiry into the Actions of Canadian Officials in Relation to Abdullah Almalki, Ahmad Abou-Elmaati and Muayyed Nureddin.

For PA 1.5, there was a decrease in expenditures related to the hiring of full-time staff (instead of temporary help); a reduction in legal costs related to public inquiries; and a change in resource alignment associated with the transfer of two activities, the Media Centre and the Prime Minister's switchboard, to PA 1.1 following the 2010-11 ARLU process. These decreases were partially offset by an increase in expenditure in PA 1.5 due to a change in allocations affecting the Security Operations Division and an increase in the level of expenditures for the Security Operations Division for new security-related initiatives to enhance PCO's security posture.

For Internal services expenses, please note that PCO operates in a highly centralized and unique environment where many costs normally assumed by line managers, e.g., all informatics and technical services (including protected and classified networks, furniture and equipment, supplies printing

and graphics, messenger services, telecommunications and review of Cabinet Confidence information), are covered under corporate services and are not reallocated to individual program activities.

Financial Statements

PCO's Financial Statements can be found at www.pco-bcp.gc.ca in the Reports and Publications section.

List of Supplementary Information Tables

All electronic supplementary information tables found in the *2010-11 Departmental Performance Report* can be found on the Treasury Board of Canada Secretariat website.[12]

- Sources of Respendable and Non-Respendable Revenue
- User Fees Reporting
- Green Procurement
- Response to Parliamentary Committees and External Audits
- Internal Audits and Evaluations

12. See 2010-11 Part III—Departmental Performance Reports (DPR): Supplementary Information (Tables), http://www.tbs-sct.gc.ca/dpr-rmr/2010-2011/index-eng.asp.

Section IV: Other Items of Interest

The following items provide additional information about PCO:

Performance Summary Details (Annex I)
http://www.pco-bcp.gc.ca/index.asp?lang=eng&page=information&sub=publications&doc=dpr-rmr/2010-2011/annex1-eng.htm

Summary of Correspondence Activities (Annex II)
http://www.pco-bcp.gc.ca/index.asp?lang=eng&page=information&sub=publications&doc=dpr-rmr/2010-2011/annex2-eng.htm

Annual Reports to the Prime Minister on the Public Service of Canada
http://www.clerk.gc.ca/eng/feature.asp?featureid=19&pageid=77

Commissions of Inquiry
http://www.pco.gc.ca/index.asp?lang=eng&page=information&sub=commissions

Governor-in-Council Appointments
http://www.appointments-nominations.gc.ca/index.asp?lang=eng

Canada's Engagement in Afghanistan
http://www.afghanistan.gc.ca/canada-afghanistan/index.aspx?lang=eng

Organizational Contact Information

Privy Council Office
http://www.pco-bcp.gc.ca

Clerk of the Privy Council
http://www.clerk.gc.ca